

AMENDED IN ASSEMBLY APRIL 28, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1613**

**Introduced by Assembly Member Klehs**

February 22, 2005

---

An act relating to taxation to add Section 6018.9 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1613, as amended, Klehs. Sales and use taxes: ~~place of sale taxes.~~

*The Sales and Use Tax Law imposes a tax on the gross receipts from the sale and on the storage, use, or other consumption in this state of, tangible personal property. That law, with certain exceptions, defines a retailer as any seller who makes any retail sale or sales of tangible personal property, any person engaged in the business of making sales for storage, use, or other consumption, and any person conducting a race meeting with respect to horses that are claimed during the meeting.*

*This bill would specify that construction contractors are consumers, not retailers, of solar energy systems, as defined.*

*This bill would take effect immediately as a tax levy, but its operative date would depend on its effective date.*

~~The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose sales and use taxes pursuant to the adoption of local ordinances. That law requires, if a retailer has more than one place of business in the state, that the places at which the sales of that retailer are consummated for purposes of a local sales~~

~~tax be determined in accordance with rules and regulations of the State Board of Equalization.~~

~~This bill states the intent of the Legislature that, in the case of a sales transaction for which a warehouse is the only location in this state that participates in that transaction, the place at which the sale is deemed to be consummated is the place where the warehouse is located.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 6018.9 is added to the Revenue and  
2     Taxation Code, to read:

3     6018.9. (a) A construction contractor is the consumer of, and  
4     shall not be considered a retailer of, a solar energy system  
5     furnished and installed in the performance of a construction  
6     contract for the improvement of real property.

7     (b) For purposes of this section, “solar energy system” means  
8     any solar collector or other solar energy device the primary  
9     purpose of which is to provide for the collection, storage, and  
10    distribution of solar energy for space heating, space cooling,  
11    electric generation, or water heating and that is certified by the  
12    State Energy Resources Conservation and Development  
13    Commission.

14    SEC. 2. This act provides for a tax levy within the meaning of  
15    Article IV of the Constitution and shall go into immediate effect.  
16    However, the provisions of this act shall become operative on the  
17    first day of the first calendar quarter commencing more than 90  
18    days after the effective date of this act.

19    SECTION 1. ~~It is the intent of the Legislature, for purposes of~~  
20    ~~the application of California’s sales and use tax law in the case of~~  
21    ~~business that has a warehouse located in this state, if that~~  
22    ~~warehouse is the only place in this state that participates in a~~  
23    ~~sales transaction, that the place of business for purposes of~~  
24    ~~determining the place where the sale is consummated shall be~~  
25    ~~deemed to be the place where the warehouse is located,~~

- 1 ~~regardless of whether that business holds a seller's permit for any~~
- 2 ~~other business location in this state.~~

O